

null  
Diana T Fritz 02/06/2007 05:38:29 PM From DB/Inbox: Search Results

Cable  
Text:

UNCLASSIFIED

SIPDIS  
TELEGRAM

June 16, 2004

To: No Action Addressee  
Action: Unknown  
From: AMEMBASSY ABU DHABI (ABU DHABI 1969 - ROUTINE)  
TAGS: EFIN, ETTC, PREL  
Captions: None  
Subject: REQUEST FOR MOVEMENT ON ARBIFT  
Ref: None

---

UNCLAS ABU DHABI 01969

SIPDIS  
CXABU:  
ACTION: ECON  
INFO: AMB DCM POL P/M  
Laser1:  
INFO: FCS

DISSEMINATION: ECON  
CHARGE: PROG

APPROVED: DCM:RALBRIGHT  
DRAFTED: ECON:OJOHN  
CLEARED: NONE

VZCZCADI282  
RR RUEHC RUEHDE RUEATRS RUEAWJA  
DE RUEHAD #1969/01 1680801  
ZNR UUUUU ZZH  
R 160801Z JUN 04  
FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC 4734  
INFO RUEHDE/AMCONSUL DUBAI 4066  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEAWJA/DOJ WASHDC

UNCLAS SECTION 01 OF 02 ABU DHABI 001969

SIPDIS

SENSITIVE

STATE FOR: NEA/ARP, NEA/ENA, L, L/NESA, E, EB,  
EB/ESC

TREASURY PLEASE PASS OFAC

E.O. 12958: DECL: N/A  
TAGS: [EFIN](#) [ETTC](#) [PREL](#) [TC](#)  
SUBJECT: REQUEST FOR MOVEMENT ON ARBIFT

[¶1](#). (U) This is an action request. Please see para [¶5](#).

[¶2](#). (SBU) In a June 7 meeting, Ministry of Finance Assistant Under Secretary for Revenue and Budget Khalid Al-Bustani provided EconChief with a copy of a letter from the UAE Minister of State for Finance and Industry to OFAC head Richard Newcomb regarding ARBIFT. Al-Bustani asked EconChief whether there

had been any progress in releasing the \$125 million in assets frozen in the USA.

13. (SBU) Al Bustani stressed that the UAE considers ARBIFT a UAE bank not a Libyan bank. He noted that the bank is incorporated in the UAE as a UAE national bank, its client base is in the UAE, and its management team is Emirati. In addition, Al-Bustani stated that the assets frozen in the U.S. were not Libyan assets, but Emirati assets. Al-Bustani acknowledged that the Libyans own a sizable minority share of ARBIFT at 42.25 percent, the same share as the UAE, with the Algerians owning the remaining 15.5 percent. (Note: The UAE federal government owns the UAE share. ARBIFT is the only retail bank owned by the UAE federal government. End Note) Al-Bustani stated that the freeze hurt the UAEG. Seventy five percent of the Bank's paid up capital was frozen, requiring the UAEG to support the bank in order to keep it operational.

14. (U) Begin Text of Letter dated May 17, 2004

Dear Mr. Newcomb:

Further to our previous correspondences and meetings regarding the Arab Bank for Investment and Foreign Trade (ARBIFT) frozen assets in the United States of America.

As you are aware, the UAE interest has been greatly effected by the OFAC decision to place the bank since 12 November 1992 under embargo list due to the US Treasury's perception of the Bank as being a "National of Libya." As we have explained that the bank is a UAE incorporated company, it operates under the supervision of the UAE Central Bank, the bank senior management are UAE nationals and, therefore, it cannot be classified as a Libyan entity.

In this context, I would like to refer to your meeting with Mr. Khalid Ali Al Bustani Assistant Under Secretary for Revenue and Budget in Washington on 29/4/2004 regarding the bank frozen assets. We have been encouraged by your response regarding [a] possible solution [to] the bank's outstanding problem.

Therefore, I would like to reiterate the UAE's request for releasing the frozen assets of ARBIFT and solicit your support to bring an end to this matter.

Yours Sincerely,

Dr. Mohammed Khalfan Bin Kherbash  
Minister of State for Finance and Industry

15. Comment and Action Request: With the recent easing of U.S. economic sanctions against Libya to allow the resumption of commercial activities, financial transactions, and investments, the UAE is again requesting us to resolve this longstanding bilateral irritant. Our understanding is that ARBIFT has been removed from OFAC's SDN list now that prospective transactions are authorized, but that its assets are still frozen. The UAE's position remains that the frozen assets are not/not Libyan assets and, therefore, should be released. Post would appreciate any update that we can give the UAEG on the status of the issue and on any possible solutions. Post would appreciate learning whether there are any steps the UAEG could take or information that it could provide to demonstrate that the assets do not belong to Libya and should not be frozen. End comment and action request.

